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RECEIVED
SL FIELD
OFFICE

00 MAR 9 PM 4 00
DEPT OF INTERIOR
BUR. OF LAND MGMT
Facsimile: (801) 532-3370
teless@fabclen.com

m/03/026

March 8, 2000

Via Facsimile: 801-977-4397 and Certified Mail, Return Receipt Requested

Glenn A. Carpenter
Salt Lake Field Office Manager
Salt Lake Field Office
Bureau of Land Management
2370 South 2300 West
Salt Lake City, Utah 84119

Post-It™ brand fax transmittal memo 7671		# of pages 8
To Wayne Hedberg	From Cheryl M.	
Co. UDOGM	Co. BLM	
Dept.	Phone # 977-4371	
Fax # 359-3940	Fax # 977-4397	

Re: Case File: U-77034
Plan of Operations for Rosebud Quarry
Rosebud One and Two Placer Mining Claims
W/2 Section 14, T10N, R16W, Box Elder County, UT

Dear Mr. Carpenter:

We are writing to you in regard to the status of the proposed Plans of Operations submitted to the Salt Lake Field Office of the Bureau of Land Management (BLM), on July 14, 1999, by our client American Stone, Inc. and its President Lon Thomas, concerning the above-referenced Rosebud Quarry.

In response to its receipt of the two Plans of Operation, the BLM Salt Lake Field Office promptly sent a letter, dated July 20, 1999, to American Stone, stating that the Plans of Operation (which were subsequently incorporated into one plan pursuant to a directive from the Utah Division of Oil, Gas and Mining) would be considered incomplete until American Stone provided the BLM with the following: (1) a topographic map which shows the additional areas where American Stone proposes to conduct mining activities beyond the current area of surface disturbance; and (2) notification that the perimeter of any newly proposed area of surface disturbance was flagged so that BLM's resource personnel could locate such areas in the field. A copy of the letter of July 20, 1999 from the BLM to Mr. Thomas is attached hereto as Exhibit A and incorporated herein by reference.

Glenn A. Carpenter

March 8, 2000

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In his letter dated August 6, 1999, Lon Thomas, President of American Stone, satisfied the BLM's requirements by sending to the BLM a topographic map showing the additional areas where American Stone proposes to conduct mining activities beyond the current area of surface disturbance and confirming that the perimeter of these areas had been flagged so that BLM personnel could locate these areas in the field. In this letter, Mr. Thomas also confirmed that an operating and reclamation bond would be posted in the amount of \$15,000. A copy of the August 6, 1999 letter from Lon Thomas to the BLM is attached hereto as Exhibit B and incorporated herein by reference.

In an August 23, 1999 letter agreement to First Security Bank from Lowell P. Braxton, Director, Utah Division of Oil, Gas and Mining, Robert Lopez, Bureau of Land Management, and Lon Thomas, President of American Stone, the requirements for a certificate of deposit for the operations and reclamation of the Rosebud Quarry were agreed upon. A copy of this letter is attached hereto as Exhibit C and incorporated herein by reference. As of September 28, 1999, a certificate of deposit was issued for the Rosebud Quarry in the amount of \$15,083.83 in the names of the Division of Oil, Gas and Mining, Department of Natural Resources, State of Utah, and the Bureau of Land Management, United States Department of the Interior. A copy of that certificate of deposit is attached hereto as Exhibit E and incorporated herein by reference.

Mr. Thomas believes that he has done everything that has been requested of American Stone by the BLM. Likewise, he believes that American Stone has complied with all BLM requirements for filing a plan of operations under 43 CFR § 3809.1-5 and all requirements for an operator under 43 CFR § 3809.3-2. Nevertheless, the BLM has not approved American Stone's Plan of Operations for the Rosebud Quarry, the BLM has provided no reason for not approving this Plan of Operation, and as of today, we understand that BLM personnel have shut down American Stone's operations at the Rosebud Quarry because the Plan of Operations for the quarry has not been approved by BLM. BLM's actions in this regard are contrary to the guidelines set forth at 43 CFR § 3809.1-6. Furthermore, BLM's closure of the Rosebud Quarry, without providing prior written notification to American Stone, has serious financial implications for American Stone.

Consequently, we are requesting that you provide us with the grounds for BLM's closure of the Rosebud Quarry and the reasons why BLM has not approved American Stone's proposed Plan of Operations for the Rosebud Quarry. Whatever grounds exist for BLM's failure to approve American Stone's proposed Plan of Operations, it would appear that BLM has a duty to respond to American Stone and notify it of the reason the plan cannot be approved within a 30-day period subsequent to American Stone's August 6,

Glenn A. Carpenter
March 8, 2000
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1999 letter to BLM. Certainly, such notification by BLM should have preceded BLM's closure of the Rosebud Quarry.

Because of the serious financial effects of BLM's closure of the Rosebud Quarry, we request your immediate attention to this matter. Thank you for your prompt response.

Very truly yours,

A handwritten signature in cursive script that reads "Rosemary J. Beless". The signature is written in dark ink and is positioned above the printed name.

Rosemary J. Beless

RJB/cam

cc: Lon Thomas, President
American Stone, Inc.



IN REPLY REFER TO:

3809
U-77034
(UT-023)

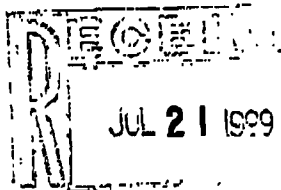
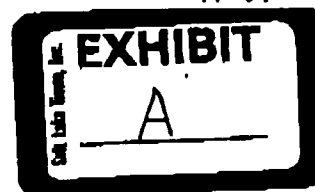
Certified Mail #Z 155 816 020
Return Receipt Requested

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Salt Lake District Office
2370 South 2300 West
Salt Lake City, Utah 84119

JUL 20 1999



Mr. Lon Thomas
American Stone
4040 South 300 West
Salt Lake City, Utah 84107

Dear Mr. Thomas:

On July 14, 1999, we received your two incomplete Plans of Operation to conduct mining activities on the Rosebud 1 and 2 placer mining claims, located in the W½ of Section 14, T. 10 N., R. 16 W. On July 19, 1999, we received notification from the Utah Division of Oil, Gas and Mining (UDOGM) that you have also submitted a copy of your two Plans to that office. Lynn Kunzler of UDOGM stated that he will treat your submitted Plans as a single Plan because the two areas of proposed mining activity are in a single project area. Your Rosebud operation would ultimately be authorized as a Large Mining Operation by UDOGM. To expedite the Bureau of Land Management's (BLM) Plan approval process, we will also combine your two Plans into a single document. We have assigned your Plan for mining in the Rosebud area as case file serial number U-77034. Please refer to that number for all future correspondence related to your Plan.

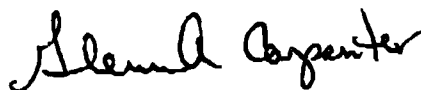
We cannot consider your plan to be complete until you provide this office with the following additional information:

1. On your submitted map, you show two quarries that currently cover a combined area of 6.25 acres. In your submitted Plan, you indicate that you propose to disturb 5 acres in each of the two quarries (10 acres total) over the life of the operation, at a rate of approximately 1/4 acre per year. Please provide a topographic map which shows the additional area(s) where you propose to conduct mining activities beyond the current area of surface disturbance.
2. The perimeter of any newly proposed area(s) of surface disturbance must be flagged so that our resource personnel can locate them in the field. Please notify this office when the flagging has been completed.

Please be advised that UDOGM is the designated lead agency for approving your mining operations in the Rosebud area. Operations cannot be conducted in the Rosebud area without authorization from both UDOGM and the BLM.

Please submit the requested information within 30 days of receipt of this letter or we will consider your Plan of Operations to be withdrawn. If you have any questions, or require additional information, please feel free to contact Michael Ford of my staff at (801) 977-4360.

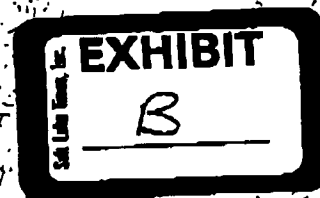
Sincerely,



Glenn A. Carpenter
Field Manager

cc: D. Wayne Hedberg
Utah Division of Oil, Gas and Mining

American Stone, Inc.
4040 South 300 West
Salt Lake City, UT 84107
Fax 801-262-4474
801-262-4300



August 6, 1999

Glenn A. Carpenter, Field Manager
Bureau of Land Management
Salt Lake District Office
2370 South 2300 West
Salt Lake City, UT 84119



Dear Mr. Carpenter:

In regards to the Rosebud Quarries you will find enclosed a topographic map which shows the additional area(s) where we will conduct mining activities beyond the current area of surface disturbance. The perimeter of these areas are flagged so that your resource personnel can locate them in the field.

American Stone will post a bond with the State prior to August 31, 1999 in the amount of \$15,000.00. We believe this will complete our Notice of Operations.

Stone Quarrying

and Fabrication

for Building and

Landscaping.

Sincerely,

A handwritten signature in cursive script, appearing to read "Lon Thomas".

Lon Thomas
President

246-1000-
**First
Security
Bank.**

**Certificate of Deposit
Account Receipt**

Fourth South Metro Branch

First Security Bank

Bank, N.A.

Office:

Date:

Account Number:

Owner(s): STATE OF UTAH-DEPARTMENT OF NATURAL
RESOURCES-DOGM AND USDOJ-BLM - Rosebud



You have deposited \$ 15,083.83 into a First Security Bank
for a term of 3 MONTHS with a maturity date of 12281999. The interest rate is 4.150 % with an

annual percentage yield of 4.211 %. The annual percentage yield was calculated, using the terms you requested, with the interest
compounded AT MATURITY, paid AT MATURITY, by depositing to the account

Thank you for opening a Time Deposit Account with First Security Bank.

Allison Knudson

Opened by:

This is a receipt for funds you have placed on deposit with First Security Bank. It need not be presented when you wish to withdraw funds from your account. Your account is subject to the terms stated above and to the following conditions. The terms "we", "our" and "us" mean First Security Bank.

SPECIFIC ACCOUNT CONDITIONS

☒ Money Master Insured Certificate of Deposit Account - Fixed Rate

- The interest rate and annual percentage yield on this account will remain fixed until maturity.
- The term of this account may range from two (2) months to five (5) years. The specific term you have chosen is disclosed above.
- This account will automatically renew at maturity for an additional like term. A new interest rate and annual percentage yield may be assigned when the deposit renews, which will remain fixed until the next maturity date. You will have ten (10) calendar days after maturity to withdraw funds without penalty. If you choose to close the account during this ten-day grace period, you will forfeit any interest that would have otherwise been accruing since maturity at the new interest rate/annual percentage yield.
- A deposit of at least \$500 is required to open this account.
- A daily balance of at least \$500 is required to obtain the disclosed annual percentage yield. No interest will be paid on any day your account balance is less than \$500.
- Additional deposits to this account are not permitted except at maturity.

☐ Money Master Insured Certificate of Deposit Account - Variable Rate

- The interest rate and annual percentage yield on this account may change at any time at our discretion.
- The term of this account may range from two (2) months to five (5) years. The specific term you have chosen is disclosed above.
- This account will automatically renew at maturity for an additional like term. A new, variable interest rate and annual percentage yield may be assigned when the deposit renews. You will have ten (10) calendar days after maturity to withdraw funds without penalty. If you choose to close the account during this ten-day grace period, you will forfeit any interest that would have otherwise been accruing since maturity at the new interest rate/annual percentage yield.
- A deposit of at least \$500 is required to open this account.
- A daily balance of at least \$500 is required to obtain the disclosed annual percentage yield. No interest will be paid on any day your account balance is less than \$500.
- Additional deposits of at least \$100 may be made to this account at any time. Deposits by an automatic transfer from a First Security Bank checking or savings account may be made in any amount.

☐ Special Day Certificate of Deposit Account

- The interest rate and annual percentage yield on this account will remain fixed until maturity.
- The term of this account may range from fourteen (14) days to five (5) years. The specific term you have chosen is disclosed above.
- This account will not automatically renew at maturity. If you do not renew the account, your deposit will be placed in a non-interest earning account. No interest will be paid after final maturity.
- A deposit of at least \$500 is required to open this account unless the maturity is between fourteen (14) and sixty-two (62) days, in which case a deposit of at least \$10,000 is required to open the account.
- A daily balance of at least \$500 is required to obtain the disclosed annual percentage yield unless the maturity is between fourteen (14) and sixty-two (62) days, in which case a daily balance of at least \$10,000 is required to obtain the disclosed annual percentage yield. No interest will be paid on any day your account balance is less than this minimum balance requirement.
- Additional deposits to this account are not permitted.



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Kathleen Clarke
Executive Director

Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210

PO Box 145801

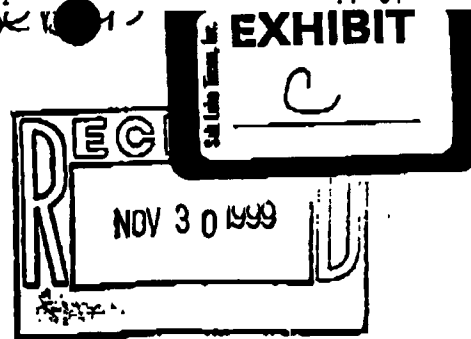
Salt Lake City, Utah 84114-5801

801-538-5340

801-359-3840 (Fax)

801-538-7223 (TDD)

August 23, 1999



First Security Bank
405 South Main
Salt Lake City, Utah 84110

Attention: Allison Knudson

Re: Certificate of Deposit for American Stone, Rosebud Quarry, M/003/026, Box Elder County, Utah

This is in regards to regulatory requirements of the mining statute and rules of the State of Utah, Division of Oil, Gas and Mining (DOGM) and the Department of the Interior, Bureau of Land Management (BLM), governing the operations and reclamation of the Rosebud Quarry, Permit Number M/003/026, operated by American Stone.

A Certificate of Deposit will be issued by First Security Bank for \$15,000 and be automatically renewable upon expiration. The Certificate should be made out in the name of the State of Utah, Division of Oil, Gas and Mining and the Department of the Interior, Bureau of Land Management. The interest earned by the Certificate of Deposit for the first three months will be added back on to the Certificate of Deposit. After that, the interest earned will be dispersed quarterly and deposited into American Stone's account. If the Certificate is redeemed before the maturity date and the penalty reduces the face value of \$15,000, the agencies will go to American Stone for reimbursement of that loss. If redeemed after the maturity date, then \$15,000 will go to the agencies and the remaining balance will go to American Stone's account. The Certificate of Deposit can only be redeemed by the DOGM and the BLM.

If the statute or rules of the DOGM or the BLM are violated with respect to the operation or reclamation of the Rosebud Quarry covered by this surety, the DOGM and the BLM have the authority to call the Certificate on demand, for the full amount of \$15,000. Any loss due to an early redemption penalty will be the responsibility of American Stone and will not be the expense or responsibility of the DOGM or the BLM.

The Division of Oil, Gas and Mining Director's signature Lowell P. Braxton (or the appropriate Division Director at that time) and the BLM Authorized Officer's signature (Bob Lopez (or the appropriate BLM Authorized Officer at that time) will be required to call the Certificate or release said funds back to American Stone. First Security Bank will not be held liable for any dispute between the parties. These rules pertain to the Certificate of Deposit Number: 1

Agreed upon by:

Lowell P. Braxton, Director
Division of Oil, Gas and Mining
Tax ID Number: _____

Lon Thomas, President
American Stone
Tax ID Number: _____

Authorized Officer, Bureau of Land Management
Tax ID Number: _____